

# EMPLOYMENT AGREEMENT

**AGREEMENT** made this 16<sup>th</sup> day of June by and between the Minnesota, a Minnesota municipal corporation ("Employer"), and Matthew Stemwedel ("Employee"). The parties agree as follows:

1. **POSITION.** Employer agrees to employ Employee as its City Manager. Employee agrees to serve as City Manager in accordance with state statutes and City ordinances and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign. Employee's first day of employment as City Manager is June 17, 2015.
2. **TERM.** The term of the Agreement shall begin on June 17, 2015 and will continue on an at-will basis as long as mutually agreeable to Employer and Employee.
3. **SALARY.** Employer shall pay Employee an annual salary of \$133,056.92, payable in regular installments according to the Employer's normal payroll practices and subject to appropriate withholdings. Except as otherwise provided herein, Employer will review Employee's compensation on an annual basis during the term of this Agreement and the Agreement shall be amended automatically to reflect any salary adjustments that are provided or required by the Employer's compensation policies.
4. **PERFORMANCE EVALUATION.** Employer and Employee agree that an initial performance review will be conducted on Employee after six (6) months and annually thereafter. The City Council, may at their discretion, consider an increase in the Employee's pay after the six (6) month review is completed. The process for the Employee performance evaluation will be mutually agreed upon by the Employer and Employee. The process at a minimum will include the opportunity for both parties to: 1) prepare a written evaluation; 2) meet and discuss the evaluation; and 3) present a written summary for the personnel file.
5. **PENSION PLAN.** Employer shall contribute to PERA as required by State law for Employee or elect to contribute to an alternate pension plan as authorized by state law and selected by the Employee. Employer shall also contribute to any other benefit plans consistent with the benefits provided to other full time, non-union employees.
6. **VACATION.** Employee shall maintain Employee's current vacation balance. Effective upon Employee's first day of employment, Employee shall accrue vacation beginning at the 12<sup>th</sup> year of eligible service which equates to 17 days of vacation per year. Employee will thereafter progress through the vacation leave accrual schedule that is provided to other full time, non-union employees. Employee shall accrue vacation leave up to a maximum accumulation of 200 hours annually.
7. **SICK LEAVE.** Employee shall Employee's current sick leave balance. Employee is eligible for sick leave consistent with the benefit provided to other full time, non-union employees.
8. **DEFERRED COMPENSATION.** Employer shall contribute \$2,500 on an annual basis to the City sponsored deferred compensation program. The timing of the contribution(s) shall be determined by the Employee and administered by the Employer. Any change to the Employer contribution amount is subject to agreement by the Employer and Employee.
9. **HOLIDAYS.** Employer shall provide Employee the same holidays as enjoyed by other full-time non-union employees.
10. **GENERAL INSURANCE.** Employer shall offer and provide and pay on behalf of Employee for such health, life, dental and disability insurance benefits including the Employee's dependents at the same rate and upon the same terms as that which is offered and/or provided to other full time non-union employees.

**11. DUES AND SUBSCRIPTIONS.** Employer shall budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional growth and development. Dues and subscriptions include, but are not limited to, the International City/County Management Association (ICMA), the Minnesota City/County Management Association (MCMA) and other local groups and associations.

**12. PROFESSIONAL DEVELOPMENT.** The Employee's professional growth and development is an important priority for the Employer and the Employee. Employer may budget and pay necessary and reasonable registration, travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other committees thereof which Employee serves as a member. Employee shall use good judgment in Employee's outside activities and will not neglect his primary duties to the Employer. Professional development includes, but is not limited to, League of Minnesota Cities, ICMA and MCMA, and other identified opportunities that may arise from time to time. Attendance at the annual conference of the ICMA is subject to the City's budget and travel policies.

**13. CIVIC CLUB MEMBERSHIP.** Employer recognizes the desirability of representation in and before local civic and other organizations. Employee is authorized to become a member of such civic clubs or organizations as deemed appropriate by Employee and at Employer's expense.

**14. AUTOMOBILE.** Employee shall be paid \$400 per month in automobile allowance. Any change to the Employer contribution amount is subject to agreement by the Employer and Employee.

**15. GENERAL EXPENSES.** Employee shall be reimbursed for other job-related expenses which it is anticipated Employee will incur from time to time, with appropriate documentation and in accordance with City's policies and procedures.

**16. MOVING ALLOWANCE.** Employee is eligible for a moving allowance reimbursement which covers his actual moving expenses up to \$5,000. Employee will obtain two quotes and select the most responsive bid. A receipt for the moving expenses shall be presented to the City prior to payment. Employee is also eligible for a one-time payment of \$5,000 for moving within the City limits. The one-time payment and moving allowance reimbursement are contingent on Employee moving to City within two years from the date of execution of the Agreement. Employee shall present his closing statement to the City prior to payment.

**17. HOURS OF WORK.** Employee will be available during regular business hours. It is understood that the position of City Manager requires attendance at evening meetings and occasionally at weekend meetings. It is understood by Employee except as noted in this paragraph that additional compensation and compensatory time shall not be allowed for such additional expenditures of time. It is further understood that Employee may absent himself from the office to a reasonable extent in consideration of extraordinary time expenditures for evening and weekend meetings at other than normal working hours. Employee shall be able to maintain and use his earned compensatory time leave bank until it is depleted under the current provisions of the City's personnel policy that applies to exempt employees, but will not be eligible to accrue additional compensatory time effective on June 17, 2015.

**18. INDEMNIFICATION.** Employer shall defend and indemnify Employee pursuant to Minnesota Statutes, Chapter 466.07 and Chapter 465.76. However, such indemnification shall not extend to criminal acts or intentional acts of torts committed by the Employee. In addition, Employer shall defend, hold harmless and indemnify Employee from all non-intentional torts; civil damages, penalties, and fines; violations of statutes, laws, rules and ordinances, provided Employee was acting in good faith in the performance of the duties of the position. Nothing in this paragraph shall be deemed to be a waiver by the City of any limitations on liability set forth in Minnesota Statutes, Chapter 466.

**19. TERMINATION PROVISIONS.** In the event that Employee is terminated by the Employer during such time that Employee is willing and able to perform the duties of City Manager, then in that event, Employer agrees to pay Employee at the time of receipt of his last pay check a lump sum cash payment equal to six months aggregate salary. However, in the event Employee is terminated at any time because of Employee's malfeasance in office, gross misconduct, conviction for a felony, or conviction for an illegal act involving personal gain to Employee, then Employer shall have no obligation to pay the termination benefits.

If Employer at any time during the employment term reduces the salary or other financial benefits of Employee in a greater percentage than across-the-board reduction for all non-union employees, unless agreed upon by Employee, or if Employer refuses, following written notice, to comply with any other provisions of this Agreement benefiting Employee or Employee resigns following a formal suggestion by Employer that Employee resign, then Employee may, at his option, be deemed to be "terminated" on the effective date of Employee's resignation and the Employee shall also be entitled to receive the termination benefits set forth above.

If Employee voluntarily resigns his position with Employer, Employee agrees to give the Employer thirty (30) days advance notice. If Employee voluntarily resigns his position with Employer, there shall be no termination pay due to Employee. Employee shall be entitled to all other accrued benefits consistent with termination benefits granted to other full time non-union employees.

**20. GENERAL CONDITIONS OF EMPLOYMENT.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, for any reason, subject only to the provisions of this Agreement and statutory requirements. Furthermore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with Employer, subject only to the provisions of this Agreement.

**21. AMENDMENTS.** The Agreement shall be amended only by mutual consent of both parties, unless otherwise provided herein.

**22. CHOICE OF LAW AND VENUE.** This Agreement shall be governed by and constituted in accordance with the laws of the State of Minnesota.

**23. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with respect to employment relationship between the City as Employer and the Employee as City Manager, replaces all prior discussions and understandings, and the parties agree that there were no inducements or representations leading to the execution of this Agreement except as herein contained.

**24. SEVERABILITY.** In case any one or more of the provisions of this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

EMPLOYER – City of Coon Rapids

EMPLOYEE

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Matthew Stemwedel

Dated \_\_\_\_\_

Dated \_\_\_\_\_

\_\_\_\_\_  
Attest:

Dated \_\_\_\_\_